

compromise. We said, let us give immediate relief to more than half the people with the smaller estates. We said, let us cut the estate tax immediately by 20 percent. We said that we can relieve 99 percent of all small businesses and family farmers from paying any estate tax.

We could have done that months ago. We can do that today. The President would sign a bill that was our alternative, that would give people immediate needed relief from the estate tax. But we did not do that, because, I guess, we have to spend this precious time on the floor getting this veto sustained.

This bill would give the largest 330 estates nationwide more than \$10.5 million in tax cuts, on average, every year. These estates are valued at more than \$20 million apiece and, meanwhile, 98 percent of our people would not see a dime in tax cuts. Add it up. When we add up all the figures, we are draining our surpluses. This bill in the second 10 years would cost over \$750 billion.

Let me finally say this. Last year, the Republicans sent us a trillion dollar tax cut. The President vetoed it. They did not even bring it back here for an override. So this year there was a better idea: let us cut it up into little sausage pieces and maybe we can fog one past the American people.

People do not want to spend the majority of this surplus on tax cuts, and they sure do not want to spend it on tax cuts for the wealthiest Americans. They want us to pay down the national debt. They want us to take care of Social Security and Medicare. They want us to spend these last days that we have on the floor in this session doing prescription medicine for our senior citizens in the Medicare program, getting a patients' bill of rights, and doing something to have better school buildings and more teachers and better education. They want us to have a minimum wage increase. They do not want this bill.

I urge Members to sustain the President's veto. Let us come back with the Democratic alternative. Let us get something done for the American people. Let us pay down the debt.

Mr. ARCHER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, today we continue our commitment to end the death tax that haunts American families, farms and businesses. Today, we try to break the logjam created by yet another veto by a President who is determined to stonewall bipartisan actions by the Congress of the United States.

I listened with fascination to the minority leader who just spoke. Yes, there are differences that divide us. Major differences. Six years ago he proposed to reduce the exclusion in the death tax to \$200,000. Where is this new-found change in his position? The change came because the Republicans got a majority in the Congress that year. So today the Democrats say, oh, but we have a better alternative.

The gentleman even referred to what revenue losses will occur in the second 10 years. Who knows? No revenue estimator, public or private, can give us that number. The longest estimate that is out there is 10 years. But what we do know is that in our bill, that the President has just vetoed, the capital gains tax occurs on every sale of an asset from the wealthy estates left by the Bill Gateses of this world. Now, the Democrats do not tell us that. That is fairness.

We say death as an event should not trigger a tax. But when those assets are sold, handed down by the very wealthy, the tax is paid. That did not show up until in the second 10 years, but we do not get a revenue estimate on that because the estimators will not look out that far.

So I listen to this rhetoric of these numbers that are thrown around that are unsupportable and then the Democrats say, we will give immediate relief to the small businesses. But it is a shell game, another Democrat shell game. We think that our relief is under the shell, yet when we pick it up, the bean is not there. Because it is a fact that under the small business and farm exemption, only 3 percent of the people ever qualify for it. In the meantime, they have spent millions of dollars on estate planners.

So the Democrats say they are giving us something, but only 3 percent of the people they say they are going to help will ever qualify. Now, that is a reality. Just talk to anybody who knows anything about estate planning.

Repealing the death tax is the right thing for America. In the land of the free and the home of the brave it is astonishing that we let people be taxed after they die. That is certainly not the American Dream. It's an American nightmare.

My friend from Texas says people get taxed on their way to heaven. I say the death tax has given purgatory a new meaning. Death as an event should not trigger a tax. That is wrong. It should occur, as I mentioned, when the assets are sold.

Some have said the death tax is ghoulis, to think that someone who works for an entire life building up wealth, saving for children, starting a business, running a farm or ranch and paying taxes the entire time gets hit once more from the grave. But as my friend, the gentleman from Texas (Mr. ARMEY), said, it is not the one who dies who pays the tax. It is the heirs who are left.

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Now the Democrats will say, Oh, there are only 2 percent of the people that are affected, 98 percent get nothing; the 2 percent that die are not the receivers of the legacy, it is often spread out amongst hundreds of people. And they do not consider the jobs that are created by the 98 percent who work in those family farms and businesses unaffected. They say they are unaf-

fected. They are affected directly. They lose their jobs.

Oprah Winfrey had it right when she said, I get angry every time I think about when I die, the Government will take 55 percent of what I have earned and saved. And why I am angry is because I have already paid taxes once. Why should I be taxed again? That is unfair.

The ancient Egyptians built elaborate fortresses and tunnels and even posted guards at tombs to stop grave robbers. In today's America, we call that estate planning, millions of dollars paid every year for estate planning.

This bill really helps those people who are going to be hit by a hidden tax. Because any middle-income American that has savings and 401(k)s and IRAs will pay a 73-percent tax on their IRAs and their 401(k)s at the time of their death.

This is unfair and we should repeal it and vote to override the President's veto.

Ms. PELOSI. Mr. Speaker, the federal government must not impose an excessive tax burden on working families, and I support targeted tax cuts to help families meet their needs and save for the future.

However, the Republican bill to eliminate the estate tax (H.R. 8) would cut nearly \$50 billion from the federal budget per year once fully phased in. Such substantial cuts would harm our ability to strengthen Social Security and Medicare, provide a prescription drug benefit to seniors, pay down the national debt, and provide our essential government services.

I am very concerned about the impact these cuts would have on families, businesses and communities across the country. In addition, the benefits of this cut favor the wealthiest 2% of Americans.

When we prioritize tax cuts over health, education, and labor, we make sacrifices that impact all Americans. We saw this in the House Labor/HHS/Education Appropriations bill where the proposed \$175 billion Republican tax cut translated into significant cuts in these important programs. Working families are being asked to make these sacrifices in exchange for a tax cut that would give \$300 billion to the 400 richest Americans. \$300 billion would pay for a prescription drug benefit for seniors for 10 years!

President Clinton has stated that he would support estate tax relief that is targeted to farm and small business estates. I agree that we should target estate tax cuts to the small businesses and farmers in greatest need. Democrats have offered a substitute that raises the special exclusion for farm and small business estates from \$675,000 to \$2 million per person. Any unused portion of the exclusion can be transferred to the surviving spouse, meaning that the total exclusion for farm and small business owning couples would become \$4 million.

The substitute also increases the general exclusion to \$1 million by 2006 and lowers the top marginal estate tax rate from 55% to 44%.

The cost of our bill is approximately \$22 billion over ten years. Not only is the Democratic approach more fiscally responsible, I believe that it is a much better alternative for small